



Montana Economic Developers Association

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TO: SENATE LOCAL GOVERNMENT COMMITTEE
Sen. Kim Gillan, Chair

RE: SB320 Revise Resort Tax - delete population and designation requirement

The Montana Economic Developers Association (MEDA) represents over 200 professionals who work for local economic development organizations across the State of Montana. We are professional "lead" economic developers, business specialists, government employees, and staff members of affiliated non-profit organizations which promote and foster economic development activities in Montana.

MEDA strongly supports SB320. The existing bill has been successful in all five communities in which it has been implemented and could be used as a model across the state. The proposed amendments would remove the population caps and slightly modify the definition of a resort area and income related to tourism.

In addition, these amendments provide a critical tool for local government: local control. A resort tax can be imposed only by a vote of the people. Voters make the decision on what is taxed and how the revenues are spent. The tax must have a sunset provision and the voters always have the right to vote to rescind the tax.

Two more important aspects of this bill should be noted:

- This is a tax paid substantially by tourists, not Montanan's taxing other Montanan's and
- A percentage of funds collected will be returned within the taxing district to provide municipal *property tax relief* in the following year.

MEDA strongly requests your support of this bill that would provide local options to our communities and strengthen economic development across the state.


Rick Edwards, President

Cc: MEDA Board of Directors

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